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EXAMINER

SNAPP, SANDRA S

ART UNIT	PAPER NUMBER
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3624

DATE MAILED: 04/30/2004

Please find below and/or attached an Office communication concerning this application or proceeding.

Office Action Summary

Application No.

09/679,183

Applicant(s)

MEYERS, RAPHAEL

Examiner

Sandra Snapp

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Mk

-- The MAILING DATE of this communication appears on the cover sheet with the correspondence address --
Period for Reply

A SHORTENED STATUTORY PERIOD FOR REPLY IS SET TO EXPIRE 3 MONTH(S) FROM THE MAILING DATE OF THIS COMMUNICATION.

- Extensions of time may be available under the provisions of 37 CFR 1.136(a). In no event, however, may a reply be timely filed after SIX (6) MONTHS from the mailing date of this communication.
- If the period for reply specified above is less than thirty (30) days, a reply within the statutory minimum of thirty (30) days will be considered timely.
- If NO period for reply is specified above, the maximum statutory period will apply and will expire SIX (6) MONTHS from the mailing date of this communication.
- Failure to reply within the set or extended period for reply will, by statute, cause the application to become ABANDONED (35 U.S.C. § 133). Any reply received by the Office later than three months after the mailing date of this communication, even if timely filed, may reduce any earned patent term adjustment. See 37 CFR 1.704(b).

Status

- 1) ☒ Responsive to communication(s) filed on 2-2-4.
- 2a) ☐ This action is **FINAL**. 2b) ☒ This action is non-final.
- 3) ☐ Since this application is in condition for allowance except for formal matters, prosecution as to the merits is closed in accordance with the practice under *Ex parte Quayle*, 1935 C.D. 11, 453 O.G. 213.

Disposition of Claims

- 4) ☒ Claim(s) 1-29, 34, 35 and 41-57 is/are pending in the application.
- 4a) Of the above claim(s) 30-33 and 36-40 is/are withdrawn from consideration.
- 5) ☐ Claim(s) _____ is/are allowed.
- 6) ☒ Claim(s) 1-29, 34-35, 41-57 is/are rejected.
- 7) ☐ Claim(s) _____ is/are objected to.
- 8) ☐ Claim(s) _____ are subject to restriction and/or election requirement.

Application Papers

- 9) ☐ The specification is objected to by the Examiner.
- 10) ☒ The drawing(s) filed on 02 February 2004 is/are: a) ☒ accepted or b) ☐ objected to by the Examiner.
Applicant may not request that any objection to the drawing(s) be held in abeyance. See 37 CFR 1.85(a).
Replacement drawing sheet(s) including the correction is required if the drawing(s) is objected to. See 37 CFR 1.121(d).
- 11) ☐ The oath or declaration is objected to by the Examiner. Note the attached Office Action or form PTO-152.

Priority under 35 U.S.C. § 119

- 12) ☐ Acknowledgment is made of a claim for foreign priority under 35 U.S.C. § 119(a)-(d) or (f).
- a) ☐ All b) ☐ Some * c) ☐ None of:
- ☐ Certified copies of the priority documents have been received.
 - ☐ Certified copies of the priority documents have been received in Application No. _____.
 - ☐ Copies of the certified copies of the priority documents have been received in this National Stage application from the International Bureau (PCT Rule 17.2(a)).
- * See the attached detailed Office action for a list of the certified copies not received.

Attachment(s)

- | | |
|--|---|
| 1) <input type="checkbox"/> Notice of References Cited (PTO-892) | 4) <input type="checkbox"/> Interview Summary (PTO-413)
Paper No(s)/Mail Date. _____ |
| 2) <input type="checkbox"/> Notice of Draftsperson's Patent Drawing Review (PTO-948) | 5) <input type="checkbox"/> Notice of Informal Patent Application (PTO-152) |
| 3) <input type="checkbox"/> Information Disclosure Statement(s) (PTO-1449 or PTO/SB/08)
Paper No(s)/Mail Date _____ | 6) <input type="checkbox"/> Other: _____ |

Response to Amendment

Currently, claims 1-29, 34-35 and 41-57 are pending in the application. Claims 30-33 and 36-40 have been cancelled.

Drawings

The drawings have been appropriately amended to identify the lone figure as "the figure." As such the previous objection is herein withdrawn.

Specification

The Abstract has been amended to comply with the 150 word limit, as such the prior objection is herein withdrawn.

Claim Objections

Claim 53 has been amended to overcome the previous objection of record.

Claim Rejections - 35 USC § 112

The previous rejection of claims 1-29, 34-35 and 41-58 based on indefiniteness is herein withdrawn in view of the amendment filed 2-2-4.

The following is a quotation of the second paragraph of 35 U.S.C. 112:

The specification shall conclude with one or more claims particularly pointing out and distinctly claiming the subject matter which the applicant regards as his invention.

Claims 1-29, 34-35 and 41-57 are rejected under 35 U.S.C. 112, second paragraph, as being indefinite for failing to particularly point out and distinctly claim the subject matter which applicant regards as the invention.

Independent claims 1 and 53 are indefinite because it is unclear what is meant by “post-auction bid” as claimed. Is such a bid after the closing of the predetermined time periods or some other time? Also, the preambles are directed to on-line auctions, yet the claim language Clarification is required.

Claims 2-29, 34-35, 41-52 and 54-57 are rejected because they depend from rejected base claims 1 and 53.

Claims 53-57 are also rejected under 35 U.S.C. 112, second paragraph, as being indefinite for failing to particularly point out and distinctly claim the subject matter which applicant regards as the invention.

Claims 53-57 are indefinite because the claims are directed to a “system” however use of the term “system” renders the claims unclear because it is not readily apparent whether the Applicant is claiming an apparatus or method. Clarification of that the Applicant is actually claiming by using the term “system” is required.

Claim Rejections - 35 USC § 101

35 U.S.C. 101 reads as follows:

Whoever invents or discovers any new and useful process, machine, manufacture, or composition of matter, or any new and useful improvement thereof, may obtain a patent therefor, subject to the conditions and requirements of this title.

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Claims 1-29, 34-35 and 41-57 are rejected under 35 U.S.C. 101 because the claimed invention is directed to non-statutory subject matter. The claims are directed to non-statutory subject matter because they lack any recitation of technology in the body of the claims. The Patent Office has taken the position that some form of technology must be claimed in the body of the claims. The Board of Patent Appeals and Interferences has stated that claims lacking any technology are “nothing more than [an] abstract idea which is not tied to any technological art and is not a useful art as contemplated by the Constitution.” *Ex parte Bowman*, 61 USPQ2d 1669, 1671 (Bd. Pat. App. & Inter. 2001) (Unpublished). While it is understood that the Bowman case is not precedential, it is cited herein for its content and reasoning.

Claim Rejections - 35 USC § 102

The following is a quotation of the appropriate paragraphs of 35 U.S.C. 102 that form the basis for the rejections under this section made in this Office action:

A person shall be entitled to a patent unless –

(b) the invention was patented or described in a printed publication in this or a foreign country or in public use or on sale in this country, more than one year prior to the date of application for patent in the United States.

Claims 1-29, 34, 35 and 41-57, as understood, are rejected under 35 U.S.C. 102(b) as being anticipated by the Nymeyer patent (US 3,581,072). The Nymeyer patent discloses a method for conducting an auction comprising the steps of:

Offering at least one item for sale for a predetermined period of time, receiving a first bid for the item from a first bidder, according a first value to the first bidder as a first function of the timing and the worth of the first bid, receiving at least one succeeding bid from another bidder, according a second value to the other bidder as a second function of timing and worth of the

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second bid, accumulating values accorded the first bidder for each bid, accumulating values accorded the other bidder for each bid, comparing the accumulated values of the first bidder and the other bidder, and identifying an auction leader by comparing the accumulated values of the first bidder with those of the other bidders (col. 6, lines 28-64) (claims 1, 10, 53-57);

The first and second functions are substantially identical (col. 5, lines 35-74) (claim 2) or are different (claim 3);

The first function accords a greater value to the earliest bid of a group of identical bids (col. 2, lines 10-13) (claim 4);

The comparing of the worth of the first bid with the worth of the at least one successive bid is performed at predetermined times (col. 2, lines 4-28) (claim 12);

The comparison of values is made on a continuous basis (col. 6, lines 39-50) (claim 11) or at a predetermined time wherein the predetermined times are incremental time periods, days, hours, minutes, seconds (Examiner takes official notice that comparisons can be made at predetermined times) (claims 13-17);

The accumulating of the values occurs each time the worth of a bid exceeds a worth of all preceding bids (col. 6, lines 45-40) (claim 18);

The worth of a successive bid is required to be greater than a worth of a preceding bid by a minimum increments (per share) (claim 19);

Establishing a floor value depends on the amount by which the first bid and the successive bids exceed the floor value (col. 6, lines 51-63) (claim 20);

At least one of the first function and the second function accords a value based upon at least one predetermined timing consideration (col. 2, lines 4-28) (claim 21);

The at least one predetermined timing consideration is the time of day (col. 2, lines 4-28) (claim 22);

The at least one predetermined timing consideration is approximately to the end of the first predetermined period of time (col. 2, lines 4-28) (claim 23);

The at least one predetermined timing consideration is the duration of the period any individual bid has remained the bid having the greatest worth (col. 2, lines 4-28) (claim 24);

The at least one predetermined timing consideration is having the bid with the greatest worth at predetermined time milestones (col. 2, lines 4-28) (claim 25);

At least one of the first and second functions accords a value based upon at least on predetermined worth criterion (value = the order they are placed in auction, with worth criterion being time and amount)(claims 26-29);

Continuing the auction after the first predetermined period of time for a second predetermined period of time, limiting participation in the auction during the second predetermined period of time to bidders based on a fifth function of the total accumulated values of bids for each of the bidders accorded during the first predetermined period of time (col. 2, lines 4-28) (claim 34);

Bids placed during the second period of time are weighted as a sixth function of accumulated values of bids placed during the first predetermined period of time (col. 2, lines 4-28) (claim 35);

At least two substantially identical bids are offered for sale, wherein bidders are permitted to bid on more than one of the items, each bidder must specify how many of the

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identical items are being bid upon and the amount of the bid, and the values are accumulated for each bid on each item (col. 6, lines 7-28)(claims 45-47);

The minimum increment is fixed (col. 7, lines 41-63) (claim 48);

The minimum increment is an eighth function of an accumulation of values accorded to a bidder (col. 7, lines 41-63) (claim 49);

The first and second function is accumulated for all bids placed by a bidder up to a specific time (order period, col. 12, lines 67-77) (claims 50-52).

Allowable Subject Matter

Any previous identification of allowable subject matter is herein withdrawn in view of the current rejections.

Response to Arguments

Applicant's arguments filed 2-2-04 have been fully considered but they are not persuasive. The Applicant points out that the present invention is directed to an auction wherein the auction leader is allowed to make a final bid after all other bidding has closed. While such may actually be in invention, this is not what is actually claimed, nor is it clearly defined in the claims, as stated in the rejections under 35 U.S.C. 112. As such, the Examiner maintains her position that the independent claims are not novel in view of the Nymeyer patent.

The Applicant also asserts that the Nymeyer patent does not teach the naming of an auction leader, however neither does the present invention, it merely identifies the auction leader,

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as does Nymeyer. In Nymeyer, the auction leader is identified during the comparison operation (col. 8, lines 30-40).

The Applicant also states that since Nymeyer is concerned with conducting stock exchanges and the like, it would likely be a violation of securities law to reward a bidder for such an item who was not the final highest bidder. It is the Examiner's position that while Nymeyer is primarily directed to stock exchange, it is more generally directed to an exchange of fungible goods. (Nymeyer, col. 1, lines 7-9). While Nymeyer discloses examples directed to the stock market, it is merely the intended use of the invention, but does not limit such a system only to stocks, etc. as is evidenced by Nymeyers own identification that such a system is capable of use in other types of markets. (See Nymeyer col. 28, lines 68-74).

Conclusion

Any inquiry concerning this communication or earlier communications from the examiner should be directed to Sandra Snapp whose telephone number is 703-305-6940. The examiner can normally be reached on Mon.-Thurs.

If attempts to reach the examiner by telephone are unsuccessful, the examiner's supervisor, Vincent Millin can be reached on 703-308-1065. The fax phone numbers for the organization where this application or proceeding is assigned are 703-305-7687 for regular communications and 703-305-7687 for After Final communications.

Any inquiry of a general nature or relating to the status of this application or proceeding should be directed to the receptionist whose telephone number is 703-308-1113.

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April 21, 2004

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GROUP 3600